2007-05291/

Government of Canada Securities

A Publication of the Department of Finance

January 2006

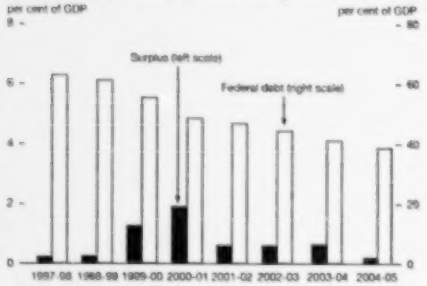
Canadian Economy

Selected Canadian economic statistics

	2004			2005		
	Q2	Q3	Q4	Q1	Q2	Q3
Annualized growth rates			(per cent)			
Real gross domestic product	3.9	2.9	2.1	2.1	3.4	3.6
Final domestic demand	2.4	3.5	4.3	5.7	3.9	3.9
Employment growth	2.0	1.3	1.7	0.6	1.7	1.1
Other						
Unemployment rate	7.2	7.1	7.1	7.0	6.8	6.8
Current account balance (percentage of GDP)	3.0	2.2	1.6	1.0	1.4	2.7

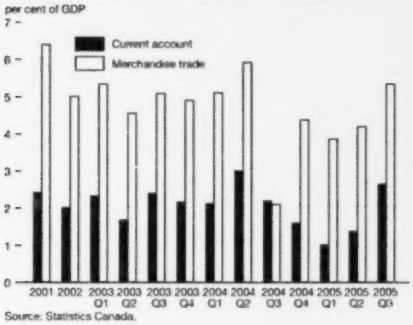
Source: Statistics Canada.

Government of Canada debt (accumulated deficit) and budgetary balance


per cent of GDP
per cent of GDP
Surplus (left scale)
Federal debt (right scale)
1997-98 1998-99 1999-00 2000-01 2001-02 2002-03 2003-04 2004-05

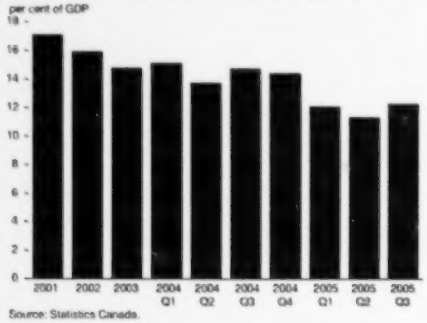
Source: Department of Finance.

Canada's current account balance and merchandise trade balance



Source: Statistics Canada.

Canada's net international liabilities



Source: Statistics Canada.

Upcoming economic data releases of interest

January

December CPI
(January 18)

November GDP
(January 31)

February

January Labour Force Survey
(February 10)

January CPI
(February 22)

December GDP
(February 28)

National Economic and Financial Accounts
October-December 2005
(February 28)

March

February Labour Force Survey
(March 10)

February CPI
(March 16)

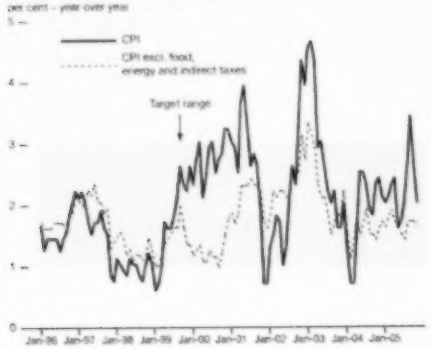
January GDP
(March 31)

Canada

Government of Canada Securities

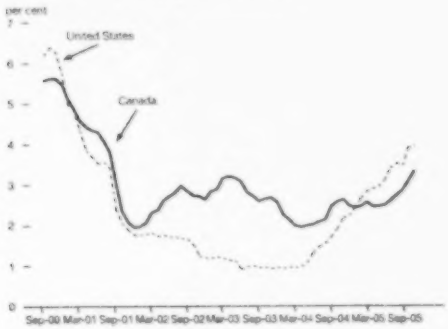
Canadian Economy

Consumer Price Index


per cent - year over year
CPI
CPI excl. food, energy and indirect taxes
Target range
Jan-96 Jan-97 Jan-98 Jan-99 Jan-00 Jan-01 Jan-02 Jan-03 Jan-04 Jan-05

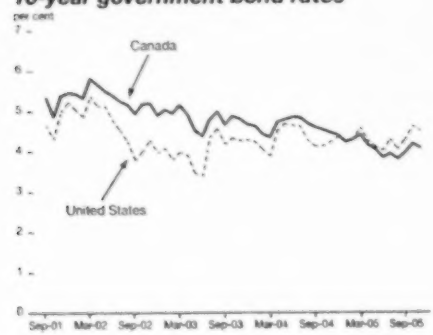
Source: Statistics Canada.

3-month treasury bill rates



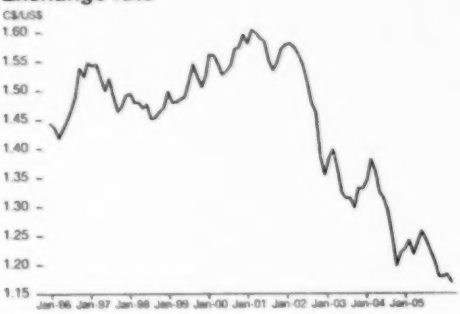
Sources: Bank of Canada and Federal Reserve.

10-year government bond rates



Sources: Bank of Canada and Federal Reserve.

Exchange rate

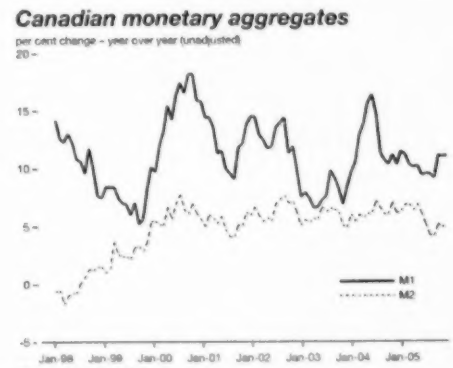


Source: Bank of Canada.

Overnight money market rate

Source: Bank of Canada.

Canadian monetary aggregates

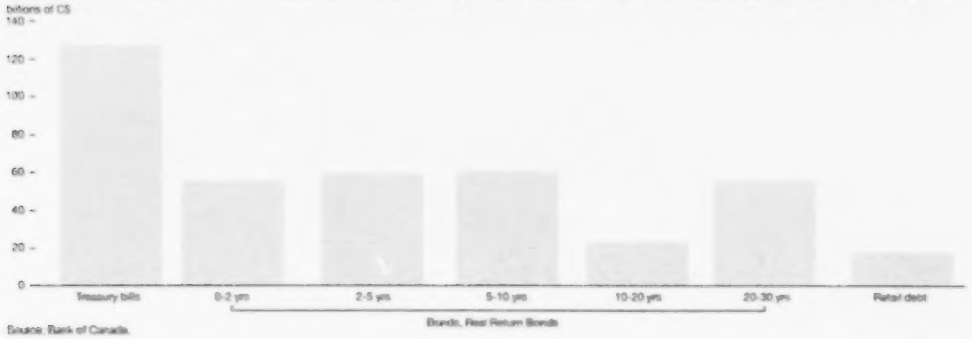


Source: Bank of Canada.

Government of Canada Securities

Primary Market

Outstanding Government of Canada treasury bills, bonds (by term maturity) and retail debt



Source: Bank of Canada.

Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage*	Tail**
	(years)		(%)	(millions of dollars)		(%)		(basis points)
December 14, 2005	2	June 1, 2008	3.75	2,400	99.753	3.857	2.465	0.5
November 30, 2005	30	December 1, 2036	3	400	131.529	1.689	2.858	n.a.
November 16, 2005	5	September 1, 2011	3.75	1,900	98.970	3.952	2.461	0.3
November 2, 2005	10	June 1, 2016	4	2,100	98.268	4.205	2.433	0.3

* Coverage is defined as the ratio of total bids at auction to the amount auctioned.

** Tail is defined as the high accepted yield minus the average yield.

Source: Bank of Canada.

Government of Canada bond auctions

Type of issue	Auction date (2006)	Further details of issue (2006)	Dated and delivered (2006)	Amount maturing*
				(millions of dollars)
30-year	January 11	January 5	January 16	0
10-year	February 1	January 26	February 6	0
5-year	February 15	February 9	February 20	0
Real Return Bond	March 1	February 23	March 6	0

Note: In addition, this quarter six operations are planned under the Government of Canada bond repurchase program. Three repurchase operations will be held in conjunction with each nominal bond auction, and three switch repurchase operations will take place: one on January 18 in the 5-year sector, one on March 8 in the 10-year sector and one on March 15 in the 2-year sector. Further details will be released on the Thursday prior to these operations. The target amount for the repurchase this quarter is $2.2 billion.

*Maturity of $0.3 billion on March 1, 2006.

Source: Bank of Canada.

Government of Canada Securities

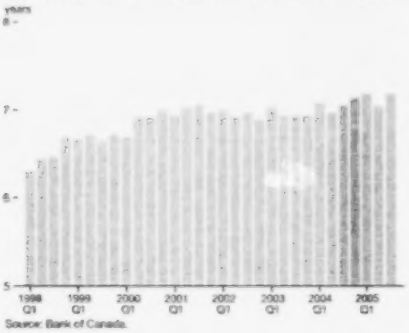
Primary Market

Government of Canada bond market benchmarks

Term	Maturity	Coupon	Amount outstanding	Yield (Dec. 30, 2005)
		(%)	(millions of dollars)	(%)
Fixed-coupon				
2-year	December 1, 2007	2.75	7,007	3.82
5-year	September 1, 2010	4.00	9,459	3.87
10-year	June 1, 2015	4.50	10,300	3.94
30-year	June 1, 2033	5.75	13,410	4.03
Real return				
30-year	December 1, 2026	4.25	5,250	1.45

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Source: Bank of Canada.

Upcoming Government of Canada marketable bond maturities

January-March 2006	April-June 2006	July-September 2006	October-December 2006
	(millions of dollars)		
267	6,500	6,221	12,624

Outstanding Government of Canada foreign currency debt

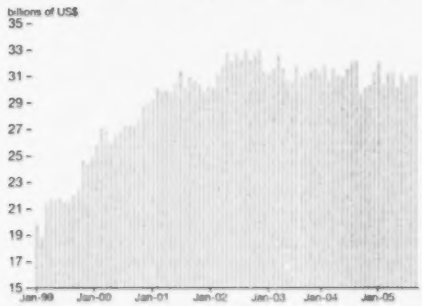
	(C$ millions)*
Canada bills	2,130
Canada notes	1,137
Outstanding under EMTN program	1,670
6¼% US$ bonds maturing August 28, 2006	1,165
6¼% NZ$ bonds maturing October 3, 2007	397
4¼% EUR bonds maturing July 7, 2008**	2,808
5¼% US$ bonds maturing November 5, 2008	2,912

*At par value, adjusted for exchange rates as of December 30, 2005.

**Original issue in Deutsche Marks was redenominated into euros on February 19, 1999.

Source: Bank of Canada.

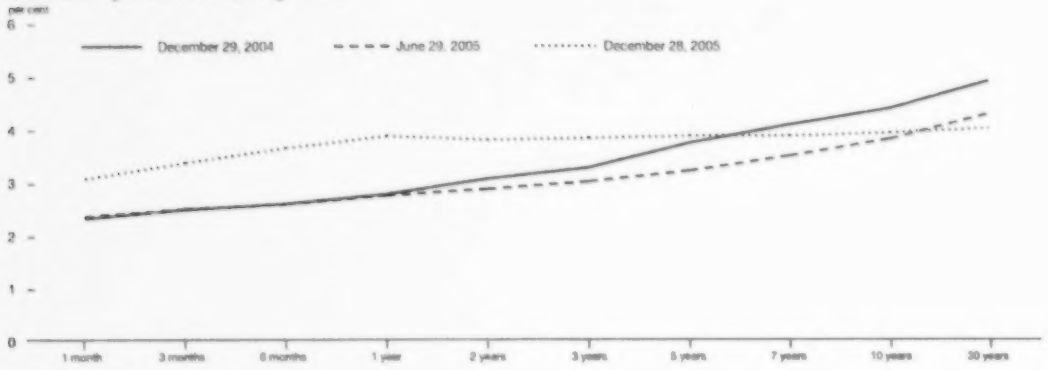
Canada's level of liquid foreign reserves



Source: Bank of Canada.

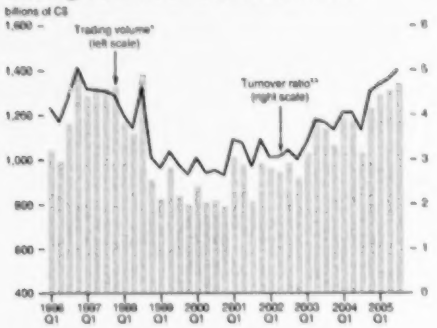
Secondary Market

Canadian yield-to-maturity curve



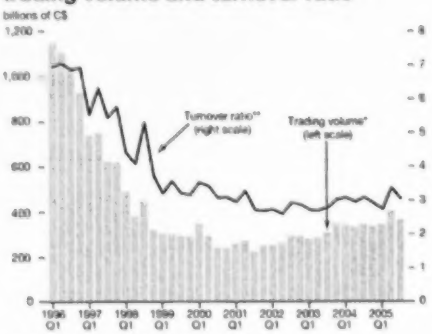
Source: Bank of Canada.

Government of Canada bonds trading volume and turnover ratio



*Trading volume is total trading volume in each quarter.
**Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Government of Canada treasury bills trading volume and turnover ratio



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Source: Bank of Canada.

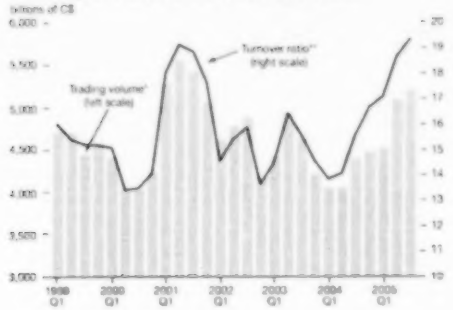
Government securities distributors

- Bank of Montreal (treasury bills only)
- Beacon Securities Limited
- BMO Nesbitt Burns Inc. (marketable bonds only)
- Canaccord Capital Corp.
- Canadian Imperial Bank of Commerce (treasury bills only)
- Casgrain & Company Limited
- CIBC World Markets Inc. (marketable bonds only)
- CTI Capital Inc.
- Desjardins Securities
- Deutsche Bank Securities Limited
- Golden Capital Securities Limited
- HSBC Bank Canada (treasury bills only)
- HSBC Securities (Canada) Inc. (marketable bonds only)
- Laurentian Bank Securities Inc.
- Merrill Lynch Canada Inc.
- J.P. Morgan Securities Canada Inc.
- National Bank Financial Inc.
- Ocean Securities Inc.
- Odlum Brown Limited
- RBC Dominion Securities Inc.
- Scotia Capital Inc.
- The Toronto-Dominion Bank

Government of Canada Securities

Secondary Market

Government of Canada bond repos trading volume and turnover ratio



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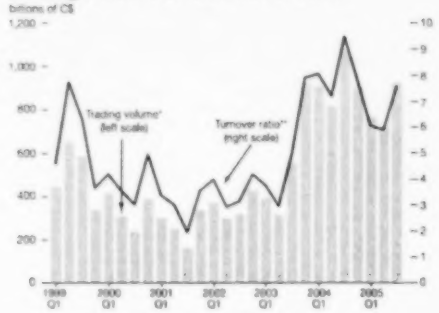
Government of Canada treasury bill repos trading volume and turnover ratio



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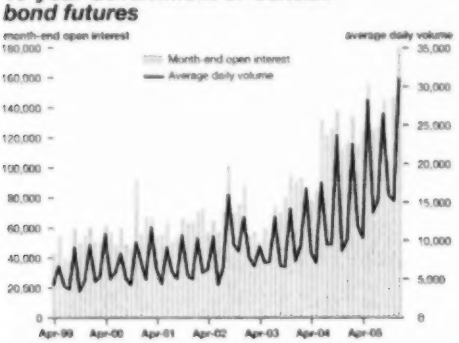
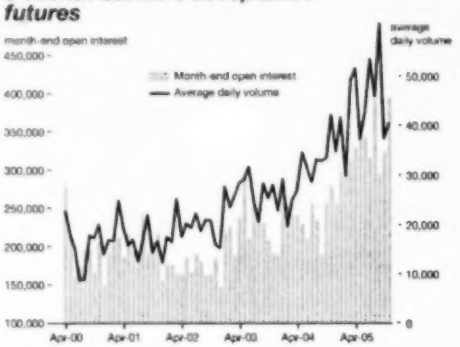
10-year Government of Canada bond futures



Source: The Montreal Exchange.

3-month bankers acceptance futures



Source: The Montreal Exchange.

Government of Canada long-term credit ratings

	Standard & Poor's Current	Moody's Investors Service Current	Dominion Bond Rating Service Current
Domestic debt	**AAA**	**Aaa**	**AAA**
– Trend	Stable	Stable	Stable
Foreign debt	**AAA**	**Aaa**	**AAA**
– Trend	Stable	Stable	Stable

This publication is also available on the Internet at www.fin.gc.ca.
Except as noted, the information in *Government of Canada Securities* is based upon data available as of December 30, 2005.
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